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LARSON BILL WOULD COMMISSION PANEL TO EXAMINE HEDGE FUNDS, PRIVATE EQUITY

WASHINGTON ♦ U.S. Congressman John B. Larson (CT-1) today announced the introduction of the Commission on the Study of Hedge Funds and Private Equity Act (H.R. 3417) to create a commission which would comprehensively study the hedge fund and private equity industry. Larson introduced the bill prior to the House adjourning for its August District Work Period.

Larson stated, "Coming from a state like Connecticut with a strong financial services sector, I felt that a commission examining hedge funds and private equity would complement the upcoming hearings of the Ways and Means Committee. I stand firmly behind Chairman Rangel and the Ways and Means Committee's efforts to determine what is the proper tax treatment for these business models. However, recognizing the importance of hedge funds and private equity to my state and my district, I believe it important to take a broader look at this issue. This commission would go beyond the tax treatment of hedge funds and private equity and examine whether better regulation is necessary and if so, what type of regulation would be appropriate. It impacts more than just the taxation of fund managers, it impacts those American workers who may have pensions with investments in this area. We simply need to learn more about this sector of the financial services industry."

The bill would create a commission of ten members which would study the tax treatment of hedge funds and private equity, as well as their impact on the U.S. economy as a whole. Membership of the commission would be comprised of experts chosen by the Speaker of the House, Senate Majority Leader, House Minority Leader, and Senate Minority Leader within thirty days of the bill's enactment. Once members have been appointed, the commission has ninety days to complete its study and report back to Congress.

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